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Tuesday, 26 January 2010, 13:40  
C O N F I D E N T I A L SECTION 01 OF 02 ZAGREB 000053  
SIPDIS  
STATE FOR EUR/SCE, EUR/ACE, AND INL/AAE  
EO 12958 DECL: 01/01/2020  
TAGS PGOV, PREL, KCOR, HR  
SUBJECT: CROATIAN PROSECUTORS INVESTIGATING FORMER PM AND  
OTHER "UNTOUCHABLES" FOR CORRUPTION  
REF: 09 ZAGREB 644  
Classified By: Political Officer Chris Zimmer for reasons 1.4 (b) and ( d).

¶1. (C) SUMMARY: Chief State Prosecutor Mladen Bajic has outlined to us several ongoing corruption cases targeting former Prime Minister Ivo Sanader. Bajic has also described several corruption cases involving the Transportation Ministry. Transport Minister Bozidar Kalmeta has been implicated in several corruption cases involving the transportation ministry. Bajic said his office is leading interagency teams established under orders from PM Kosor to deal with five priority cases involving state-owned companies. A sixth company under investigation, Podravka, has 26 percent government ownership, and parliament approves the supervisory board. At a recent meeting, Bajic reported on XXXXXXXXX's dealings with Podravka on January 22.

¶2. (C) In a series of meetings in early to mid-January, Croatian Chief State Prosecutor Mladen Bajic described several ongoing corruption problems involving the transportation ministry. Transport Minister Bozidar Kalmeta has been implicated in several corruption cases involving the transportation ministry. Bajic said his office is leading interagency teams established under orders from PM Kosor to deal with five priority cases involving state-owned companies. A sixth company under investigation, Podravka, has 26 percent government ownership, and parliament approves the supervisory board. At a recent meeting, Bajic reported on XXXXXXXXX's dealings with Podravka on January 22.

¶3. (C) Sanader is also implicated in several corruption cases involving the Transportation Ministry. Transport Minister Bozidar Kalmeta has been implicated in several corruption cases involving the transportation ministry. Bajic said his office is leading interagency teams established under orders from PM Kosor to deal with five priority cases involving state-owned companies. A sixth company under investigation, Podravka, has 26 percent government ownership, and parliament approves the supervisory board. At a recent meeting, Bajic reported on XXXXXXXXX's dealings with Podravka on January 22.

¶4. (C) Bajic said his office is leading interagency teams established under orders from PM Kosor to deal with five priority cases involving state-owned companies. A sixth company under investigation, Podravka, has 26 percent government ownership, and parliament approves the supervisory board. At a recent meeting, Bajic reported on XXXXXXXXX's dealings with Podravka on January 22.

¶5. (C) A sixth company under investigation, Podravka, has 26 percent government ownership, and parliament approves the supervisory board. At a recent meeting, Bajic reported on XXXXXXXXX's dealings with Podravka on January 22.

¶6. (U) Minister of Interior Tomislav Karamarko and Minister of Justice Ivan Simonovic have also been spearheading a public relations campaign to improve Croatia's image.

¶7. (C) COMMENT: An important test of Croatia's anti-corruption efforts will be the ability to go after the biggest fish. For several years, Bajic has been investigating corruption cases involving the transportation ministry. Transport Minister Bozidar Kalmeta has been implicated in several corruption cases involving the transportation ministry. Bajic said his office is leading interagency teams established under orders from PM Kosor to deal with five priority cases involving state-owned companies. A sixth company under investigation, Podravka, has 26 percent government ownership, and parliament approves the supervisory board. At a recent meeting, Bajic reported on XXXXXXXXX's dealings with Podravka on January 22.